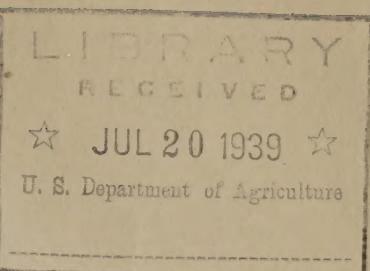


1.42
Ad4En

U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION
AND EXTENSION SERVICE COOPERATING
Washington, D. C.



EUROPE BUYS LESS WHEAT

Europe in the past has bought about 80 percent of world wheat exports. In the middle 20's, the imports totaled 611,600,000 bushels. By the middle 30's, the imports had shrunk to 397,000,000 bushels. About 80 percent of the drop in European requirements is accounted for by Italy, Germany, and France.

ONE OUT OF FOUR BUSHELS HAD NO MARKET

World wheat production in 1938 was 4,539 million bushels, excluding Soviet Russia and China, according to present estimates. The July 1938 carry-over for the world was about 595 million bushels. On the basis of an estimated disappearance of 3,900 million bushels for 1938-39, world wheat farmers had one bushel of wheat bogging for market for every three bushels used during the year.

WHEAT PROGRAM HOLDS UP U. S. PRICES

The AAA farm program, including its loan and export provisions, has enabled the United States farmer to sell his wheat above the world price. In the past whenever U. S. wheat has been on an export basis, domestic wheat prices have been closely related to the world price as listed at Liverpool, England. Usually, a bushel of wheat has brought about 15 cents less at Chicago, a difference which represents the cost of shipping a bushel of wheat from Chicago to Liverpool. However, since August 1938 the relationship has reversed. The largest world wheat supplies in history have depressed world prices, but during the first 3 months of 1939, No. 2 hard winter wheat at Chicago averaged 10 cents above the Liverpool price.

